MOHAN): (a) to (c) Indian Drugs & Pharmaceuticals Limited (IDPL) had been incurring heavy cash losses over the years and it had acute shortage of working capital and funds for payment to pressing creditors for supplies and services, statutory payments, wage bills, overdue electricity bills, bank interest etc. The company management had no alternative but to temporarily fund a part of the cash losses by using the Plan funds. It would be recouped once the capital restructuring of the company is approved. Despite the continuing severe constraints of working capital, even the temporary use of Plan funds for meeting cash losses without appropriate approvals, has been discontinued. There was no malafide intention on the part of the management and therefore, action against individual officers is not proposed to be taken at this stage.

Fixation of common sale prices of drugs

3591. SHRI H. HANUMANTHAPPA:
SHRI RAJNI RANJAN SAHU:
SHRIMATI SATYA BAHIN:

Will the PRIME MINISTER be pleased to state:

(a) whether the system of fixing pooled/common sale price and retention for each producers along with the pooled/common sale price have been abolished under DPCO, 1987;

(b) whether it is a fact that the money collected under DPEA is being misused;

(c) whether legal department has objected to one sided paragraphs/clauses in the DPCO, 1987; and

(d) if so, what remedial action has been taken by his Ministry in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) Yes, Sir.

(b) to (d) The money available into the DPEA would be used for the specified purposes mentioned in para 17 (2) of DPCO, 1979. There is no question of this amount being misutilised. As per para 14(2) of DPCO, 1987, the existing amount, if any, in the DPEA on or before the date of commencement of this order, and the amount deposited under sub-paragraph 14(1), shall be used for the purposes stipulated in DPCO, 1979. As per para 14(1) of DPCO, 1987 the government may require the manufacturer/importer/distributor, as the case may be, to deposit the amount which has accrued on account of the actions under DPCO, 1979, on or before the commencement of this order into the DPEA. So far, to the extent information is available, there is no legal controversy in regard to utilisation of amount already deposited, to be deposited into the DPEA.

Losses incurred by Fertilizers and Chemicals Travancore Limited

3592. SHRIMATI VEENA VERMA: Will the PRIME MINISTER be pleased to state:

(a) whether Fertilizers and Chemicals Travancore Limited has for the first time, incurred a gross loss over Rs. 3.13 crores in the first six months of the current year;

(b) if so, what is the net estimated loss suffered this year after making the allowance for depreciation etc.;

(c) the reasons therefor; and

(d) the steps being taken to avert the loss and to make good the same during the rest of the year?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) and (b) In the first six months of the current financial year 1992-93, Fertilizers and Chemicals Travancore Ltd. (FACT) have provisionally shown a loss of Rs. 24.78 crores after providing for depreciation of Rs. 21.45 crores. By the end of

November, 1992, the estimated loss came down to Rs. 11.64 crores, after providing for depreciation of Rs. 30.21 crores.

(c) and (d) The provisional loss can be attributed mainly to availability of imported caprolactam at much cheaper price, forcing FACT to sell its caprolactam at below the remunerative price. The increased input cost in respect of petroleum products and de-control of phosphatic fertilizers has also affected FACT's profitability.

The Company has already represented to the Government for reviewing the customs duty leviable on imported caprolactam and raw materials used for its manufacture. In respect of phosphatic fertilizers, the situation is expected to improve once the prices of these products stabilise in the free market situation.

Non-implementation of provisions of Drug Policy, 1986

3593. SHRI SUDHIR RANJAN MAJUMDAR:
SHRI RAJNI RANJAN SAHU:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the Drug Policy, 1986 and DPCO 1987 have not been implemented in full;

(b) whether it is a fact that his Ministry have neither implemented phased Manufacturing Programme nor Ratio Parameter;

(c) whether it is a fact that his Ministry could get information from drug companies about imports from their principles and their associates;

(d) if so, the names of the companies which provided such information after announcement of the Drug Policy, 1986 and IDPLC, 1987 year-wise so far; and

(e) whether his Ministry have made any study of the informations provided by drug companies, if so, the details thereof and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) and (b) Every proposal received from any company in the organised sector for manufacture of bulk drugs and formulations is cleared only after verifying their compliance of ratio parameters and basic stage of manufacture fixed by the Government respectively. Where there are constraints regarding technology etc., to avoid import of the finished bulk drugs, basic stages are relaxed for specified drugs for specified periods.

(c) to (e) These details have been called for from the concerned companies through their associations, but the response has not been very encouraging.

Over-invoicing of imports by M/s. German Remedies

3594. SHRI H.HANUMANTHAPPA:
SMT. SATYA BAHIN:
SHRI ANANT RAM JAISWAL:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that M/s. German Remedies are still resorting to over-invoicing of imports of Dipyridamol, Verapamil Hcl and Nitroso compound which account for about Rs. 6 crores annually;

(b) whether it is a fact that element of over-invoicing is about Rs 3 crores per annum;

(c) whether it is a fact that the company is resorting to this practice by appointing German Managing Director;

(d) what is the name of present Managing Director;

(e) whether it is a fact that Development Commissioner (PI) is also involved in this game plan; and

(f) what steps have been taken to investigate the matter and prevent the outflow of foreign exchange in this manner?